

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0042.01 Richard Sweetman x4333

HOUSE BILL 23-1126

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HOUSE SPONSORSHIP

Ricks,

SENATE SPONSORSHIP

Exum,

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House Committees  
Business Affairs & Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE INCLUSION OF CERTAIN ITEMS OF INFORMATION IN  
102 CONSUMER REPORTS, AND, IN CONNECTION THEREWITH,  
103 PROHIBITING THE REPORTING OF MEDICAL DEBT INFORMATION  
104 BY CONSUMER REPORTING AGENCIES AND PROHIBITING DEBT  
105 COLLECTORS AND COLLECTION AGENCIES FROM FALSELY  
106 REPRESENTING THAT MEDICAL DEBT INFORMATION WILL BE  
107 INCLUDED IN A CONSUMER REPORT OR FAILING TO TIMELY  
108 DISCLOSE THAT, WITH CERTAIN EXCEPTIONS, MEDICAL DEBT  
109 WILL NOT BE INCLUDED IN A CONSUMER REPORT.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

*applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 1** of the bill defines "medical debt" as any obligation or alleged obligation of a consumer to pay any amount whatsoever arising from the receipt of health-care goods or services.

Current law prohibits a consumer reporting agency from making any consumer report containing any of certain items of information. However, this prohibition does not apply to:

- A credit transaction involving, or that may reasonably be expected to involve, a principal amount of \$150,000 or more; or
- The underwriting of life insurance involving, or that may reasonably be expected to involve, a face amount of \$150,000 or more.

**Section 2** eliminates both of these exceptions to the prohibition and substitutes a new exception, which applies to a credit transaction involving, or that may reasonably be expected to involve, a principal amount that exceeds the national conforming loan limit value determined annually by the federal housing finance agency. **Section 2** also prohibits a consumer reporting agency from making any consumer report containing any information concerning medical debt.

**Section 3** prohibits a debt collector or collection agency, when attempting to collect medical debt or to obtain information about a consumer in relation to an attempt to collect medical debt from:

- Making a false or misleading representation that the medical debt will be included in a consumer report or factored into a consumer's credit score; or
- Failing to disclose that the medical debt will not be included in a consumer report and therefore not factored into a consumer's credit score.

The bill makes exceptions to these prohibitions when the information is used in connection with a credit transaction involving, or that may reasonably be expected to involve, a principal amount that exceeds the national conforming loan limit value determined annually by the federal housing finance agency.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 5-18-103, **add** (11.5)  
3 as follows:

4           **5-18-103. Definitions.** As used in this article 18, unless the

1 context otherwise requires:

2 (11.5) "MEDICAL DEBT" MEANS ANY OBLIGATION OR ALLEGED  
3 OBLIGATION OF A CONSUMER TO PAY ANY AMOUNT WHATSOEVER ARISING  
4 FROM THE RECEIPT OF:

5 (a) HEALTH-CARE GOODS, INCLUDING PRODUCTS, DEVICES,  
6 DURABLE MEDICAL EQUIPMENT, AND MEDICATIONS; AND

7 (b) HEALTH-CARE SERVICES, AS DEFINED IN SECTION 10-16-102  
8 (33).

9 **SECTION 2.** In Colorado Revised Statutes, 5-18-109, **amend** (1)  
10 introductory portion, (1)(f), and (2); and **add** (1)(g) as follows:

11 **5-18-109. Reporting of information prohibited - exceptions.**

12 (1) Except as authorized under subsection (2) of this section, ~~no~~ A  
13 consumer reporting agency shall NOT make any consumer report  
14 containing any of the following items of information:

15 (f) Any ~~other adverse item of information that predates the report~~  
16 ~~by more than seven years.~~ INFORMATION CONCERNING MEDICAL DEBT; OR

17 (g) ANY OTHER ADVERSE ITEM OF INFORMATION THAT PREDATES  
18 THE REPORT BY MORE THAN SEVEN YEARS.

19 (2) The provisions of subsection (1) of this section do not apply  
20 to the case of any consumer report to be used in connection with A CREDIT  
21 TRANSACTION INVOLVING, OR THAT MAY REASONABLY BE EXPECTED TO  
22 INVOLVE, A PRINCIPAL AMOUNT THAT EXCEEDS THE NATIONAL  
23 CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT PROPERTY AS  
24 DETERMINED ANNUALLY BY THE FEDERAL HOUSING FINANCE AGENCY.

25 ~~(a) A credit transaction involving, or that may reasonably be~~  
26 ~~expected to involve, a principal amount of one hundred fifty thousand~~  
27 ~~dollars or more; or~~

1           ~~(b) The underwriting of life insurance involving, or that may~~  
2 ~~reasonably be expected to involve, a face amount of one hundred fifty~~  
3 ~~thousand dollars or more.~~

4           ~~(c) (Deleted by amendment, L. 2022.)~~

5           **SECTION 3.** In Colorado Revised Statutes, 5-16-107, **amend** (1)  
6 introductory portion; and **add** (1)(r) as follows:

7           **5-16-107. False or misleading representations.** (1) A debt  
8 collector or collection agency shall not use any false, deceptive, or  
9 misleading representation or means in connection with the collection of  
10 any debt, including ~~but not limited to~~, the following conduct:

11           (r) WHEN ATTEMPTING TO COLLECT MEDICAL DEBT, AS DEFINED IN  
12 SECTION 5-18-103 (11.5), OR TO OBTAIN INFORMATION ABOUT A  
13 CONSUMER IN RELATION TO AN ATTEMPT TO COLLECT MEDICAL DEBT:

14           (I) MAKE A FALSE, DECEPTIVE, OR MISLEADING REPRESENTATION  
15 THAT THE MEDICAL DEBT WILL BE INCLUDED IN A CONSUMER REPORT, AS  
16 DEFINED IN SECTION 5-18-103 (3), OR FACTORED INTO A CONSUMER'S  
17 CREDIT SCORE, AS DEFINED IN SECTION 5-18-107 (4); EXCEPT THAT, SUCH  
18 A REPRESENTATION IS NOT A FALSE, DECEPTIVE, OR MISLEADING  
19 REPRESENTATION IF THE CONSUMER REPORT IS TO BE USED IN CONNECTION  
20 WITH A CREDIT TRANSACTION THAT INVOLVES, OR THAT MAY REASONABLY  
21 BE EXPECTED TO INVOLVE, A PRINCIPAL AMOUNT THAT EXCEEDS THE  
22 NATIONAL CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT PROPERTY AS  
23 DETERMINED BY THE FEDERAL HOUSING FINANCE AUTHORITY; OR

24           (II) FAIL TO DISCLOSE CLEARLY IN THE INITIAL ORAL OR WRITTEN  
25 COMMUNICATION AND IN SUBSEQUENT COMMUNICATIONS THAT THE  
26 MEDICAL DEBT WILL NOT BE INCLUDED IN A CONSUMER REPORT, AS  
27 DEFINED IN SECTION 5-18-103 (3), AND THEREFORE NOT FACTORED INTO

1 A CONSUMER'S CREDIT SCORE, AS DEFINED IN SECTION 5-18-107 (4);  
2 EXCEPT THAT, SUCH A REPRESENTATION IS NOT A FALSE, DECEPTIVE, OR  
3 MISLEADING REPRESENTATION IF THE CONSUMER REPORT IS TO BE USED IN  
4 CONNECTION WITH A CREDIT TRANSACTION THAT INVOLVES, OR THAT MAY  
5 REASONABLY BE EXPECTED TO INVOLVE, A PRINCIPAL AMOUNT THAT  
6 EXCEEDS THE NATIONAL CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT  
7 PROPERTY AS DETERMINED BY THE FEDERAL HOUSING FINANCE  
8 AUTHORITY.

9 **SECTION 4. Act subject to petition - effective date -**  
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
11 the expiration of the ninety-day period after final adjournment of the  
12 general assembly; except that, if a referendum petition is filed pursuant  
13 to section 1 (3) of article V of the state constitution against this act or an  
14 item, section, or part of this act within such period, then the act, item,  
15 section, or part will not take effect unless approved by the people at the  
16 general election to be held in November 2024 and, in such case, will take  
17 effect on the date of the official declaration of the vote thereon by the  
18 governor.

19 (2) This act applies to conduct occurring on or after the applicable  
20 effective date of this act.